



What are they?

Inherent/Embedded Capital Allowances (CAs) are an invaluable way for clients to obtain "cash back" against certain commercial property expenditure by providing tax relief against income.



Why do you need specialist support?

Since April 2014 when mandatory pooling requirements were introduced, do you take the view that the seller would have pooled all the allowances so all that is needed is a s198 election? Can you identify say 5 entities that would not complete a s198 election with the amount of allowances for your client to claim?



How do we work with accountants to help them identify potential claims for clients?

- Review with you each potential client's property transactions to identify any valid claims.
- We will survey the client's property and make detailed assessments of those costs that qualify for capital allowances.
- We will prepare the claim for submission to HMRC subject to consideration by client and accountant.

Usually the sums involved are significant for any client and we work with accountants helping ensure that tax relief is not lost due to incomplete understanding of the relevant statutory rules.



What would we like to do with the accountants who want to be proactive?

We would like to discuss with them those clients who own commercial property to:

- Determine whether there could be a potential CA claim available
- Review what, if any claims, have been made in the past.
- If claims made determine whether they are full and complete. Often missing information will have led to allowances identified being below what is actually available.
- If there has been no claim, we would go through the validation process to determine whether a valid claim can be made now.
- A Report would be produced for consideration by the client and accountants and if approved the claim would be made.



What can we do to help to clarify the tax election situation?

We can review the tax election situation to determine whether there are allowances that could pass to a buyer. We would advise the client of the action that we would undertake to achieve this for them.



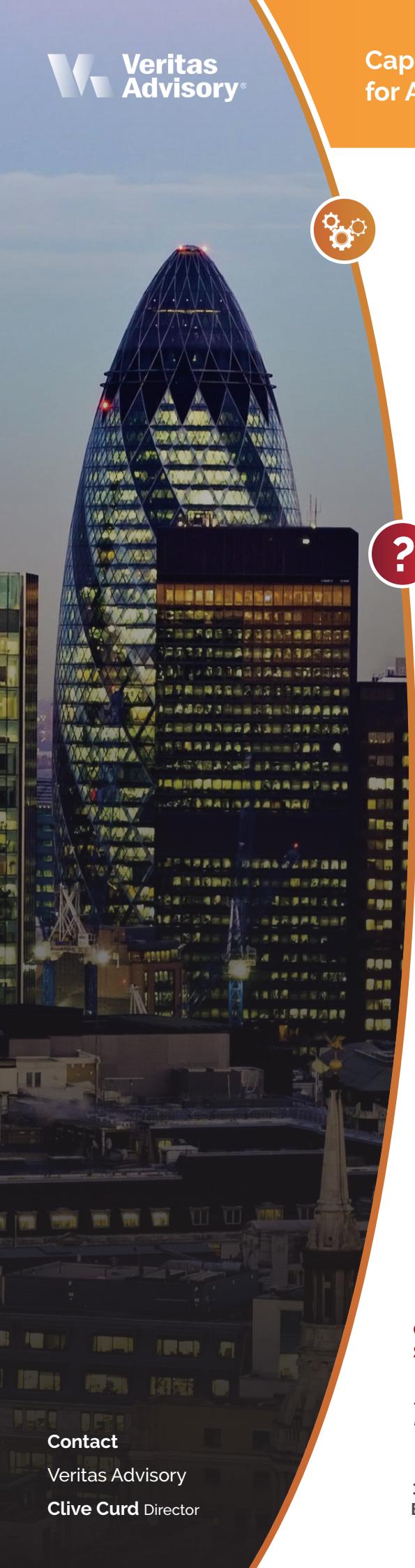
Why should accountants be wary of completing this type of claim themselves?

HMRC routinely enquire into CA claims as the valuation process requires surveying skills . Dealing with such enquiries involves good negotiation skills, sound knowledge of taxpayer's rights and HMRC's powers. No accountant wants to submit a claim that ends up with their client losing allowances and fees defending an enquiry.

Contact

Veritas Advisory

Clive Curd Director



What should accountants look for in a Capital Allowances Advisor?

- Relevant professional qualifications and sector experience - We are Chartered Taxation Surveyors providing a complete Capital Allowance service carrying out an entire project in-house, NO subcontracting!
- Credibility and Capability with HMRC/VOA and other professional firms
- Response times - We have several director led teams so your work will be completed efficiently and on time to meet deadlines
- No conflict of interest - We are an independent firm and as capital allowance claims are usually treated as a stand-alone project.
- Reliable - As an established capital allowance advisor we will be able to provide an accurate indication of the expected level of allowances and immediate tax savings and cash-flow benefit over time.



Frequently Asked Questions

Is this a tax scheme that HMRC challenge now or in the future?

NO! Owners are entitled to make claim on Plant and Machinery as detailed in Part 2 of the Capital Allowances Act 2001.

Our client purchased the property many years ago so must have missed the deadline to make any claim?

NO! There is no time limit on making a valid claim. We can revisit historic expenditure to see which relief has not been claimed/maximised.

Doesn't a claim reduce the base cost for CGT purposes when the client goes to sell the property?

NO! CAs have no impact on the capital gains or stamp duty position.

When our client purchased the property there is a £2 election so there is nothing further to be done, is there?

NO! Seller could be an entity who could not claim such as a charity or a loss making company who did not need the allowances. The seller may have not claimed on purchase but on a refurbishment only, or could not claim the extended integral features as pre April 2008.

Why do we need a specialist advisor when we can do it ourselves?

You could do it but what happens when info is not very good and there is a need for certain cost splits, or knowledge of unusual P&M within properties.

We already use another advisor so we have this covered?

Good to hear that you realise the benefit of an expert in this area of tax advice. Have you ever found a conflict of interest in acting for both parties? Do you offer your clients alternative quotes for this service?

OK we accept we need specialist advice from Chartered Taxation Surveyors so why Veritas Advisory?

We work with Moore Stephens, UHY Hacker Young, Hayes Macintyre, Kingston Smith amongst others. We deal with HMRC and VOA on regular basis and have negotiated with them successfully many times on claims, and won a tribunal.

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